

WISCONSIN DEPARTMENT OF REGULATION & LICENSING



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IN THE MATTER OF :
DISCIPLINARY PROCEEDINGS :
AGAINST : **FINAL DECISION AND ORDER**
STEPHEN E. RIPSCH, :
RESPONDENT : LS0807111RHI

Division of Enforcement Case File # 08 RHI 003

The parties to this action for the purpose of Wis. Stats. sec. 227.53 are:

Stephen E. Ripsch
2125 East Rugby Road
Janesville, WI 53545

Department of Regulation and Licensing
P.O. Box 8935
Madison, WI 53708-8935

Department of Regulation and Licensing
Division of Enforcement
P.O. Box 8935
Madison, WI 53708-8935

PROCEDURAL HISTORY

The parties in this matter agree to the terms and conditions of the attached Stipulation as the final disposition of this matter, subject to the approval of the Department. The Secretary of the Department or her designee has reviewed this Stipulation and considers it acceptable. Accordingly, the Department adopts the attached Stipulation in this matter and makes the following Findings of Fact, Conclusions of Law, and Order:

FINDINGS OF FACT

1. Stephen E. Ripsch is registered in the State of Wisconsin as a Home Inspector, having registration number 106 which was first granted to him on February 24, 2004. Mr. Ripsch's most recent address on file with the Department of Regulation and Licensing ("Department") is 2125 East Rugby Road, Janesville, WI 53545.

2. On April 5, 2007, Mr. Ripsch performed a home inspection on a house at 10445 W. County Rd. K. in Beloit, Wisconsin.

3. The house at 10445 W. County Rd. K. in Beloit was purchased on April 30, 2007 by Joseph Murphy in partial reliance on Mr. Ripsch's home inspection report.

4. Mr. Ripsch reported that the basement of the house was poured concrete. This was inaccurate. His inspection did not detect, and his report did not reflect, that the basement walls were made of PWF (Permanent Wood Foundation). The only significant problem noted by Mr. Ripsch was the presence of mold in a corner of the basement.

5. The seller of the house, Ron Cash, stated that any mold in the basement would have been caused by a pipe that had burst the previous winter but had since been repaired. This explanation was accepted by Mr. Ripsch and consequently by the buyer.

6. In October of 2007, the new owner, Mr. Murphy, was informed by a neighbor that the house had originally had a limestone foundation but that it had been washed out and later replaced with a “plywood” foundation.

7. By talking to the neighbor and the owners at the time of the replacement, Mr. Murphy developed information indicating that the owners later sold the house to Ron Cash, who covered the Permanent Wood Foundation walls in the basement with stucco to look like poured concrete before marketing it and selling it to Mr. Murphy.

8. At Mr. Murphy’s request, another home inspection was performed by Dan Schilling in January of 2008.

9. In January of 2008, Mr. Murphy filed a complaint with the Department of Regulation and Licensing alleging that Mr. Ripsch’s home inspection report had been deficient.

10. Departmental investigator Douglas Austin visited the house in March of 2008 and took photographs to document the areas that Mr. Schilling identified as problems.

11. Based on the Department’s investigation, which included obtaining information from the real estate broker who listed the house for sale and from the real estate appraiser who appraised the house, as well as the visual inspection by the Departmental investigator, the basement walls were carefully concealed by the stucco applied by the seller.

12. Mr. Ripsch’s failure to detect the Permanent Wood Foundation concealed by stucco that was made to look like poured concrete was not a violation of the standards for Home Inspectors.

13. For the deck that is attached to the house, Mr. Ripsch reported only “treated wood”. As documented and photographed by both Mr. Schilling and Investigator Austin, the deck is not level, it does not have poured footings, the railing is not attached to the deck properly, and the deck is attached to the house by only a few lag bolts. This is obviously shoddy and unsafe construction.

14. Mr. Ripsch made no comment about the furnace exhaust vent. As documented and photographed by both Mr. Schilling and Investigator Austin, the exhaust vent from the furnace is only a few inches above the ground. This would not meet manufacturer specifications, it could be covered by snow or infiltrated by water, and it could be entered by rodents.

15. For the attic, Mr. Ripsch made notes and checked boxes on a preprinted form, and reported the following:

Method of Inspection: From the attic access

Unable to Inspect: 90% - Roof line, Roof line (box checked “acceptable”)

Roof Framing: 2x4 Rafter (box checked “acceptable”)

Sheathing: Particle board (box checked “acceptable”)

Ventilation: roor [sic], gable and soffit (box checked “acceptable”)

Insulation: (box checked “not inspected”)

Insulation depth: (box checked “not inspected”)

Vapor Barrier: (box checked “not inspected”)

Wiring/Lighting: (box checked “acceptable”)

Moisture Penetration: (box checked “acceptable”)

In his response to the Department -- but not in his report -- Mr. Ripsch stated that he was unable to inspect the attic because the access door was painted shut and he was unable to open it without using a knife or other implement around the edge, which is not required by the rules.

Although he was legitimately unable to inspect the attic area, Mr. Ripsch should have brought this information to the client’s attention in a more effective way than saying “unable to inspect: 90%”. Especially since there were no roof vents visible from the outside, and there was some indication of mold inside the house, he should have highlighted his complete inability to inspect the interior of the attic. In addition, the entries for “Method of inspection”, “Ventilation”, and “Moisture Penetration” are either guesses or simply wrong.

Mr. Schilling reported that the insulation and the ventilation in the attic were inadequate, and that this likely caused moisture to be trapped in the attic and from there in the ceilings of the rooms below.

16. Mr. Ripsch noted in his report that the family room walls were “paneled - signs of mold-like substances, would recommend further test by qualified person.” Mr. Schilling found a lot of areas in the house that had signs of mold; he reported that besides the family room, other evidence of mold was in some of the basement insulation, in a closet and on the furnace room walls. Mr. Ripsch did bring the problem to the client’s attention, but he accepted the seller’s statement that the mold in the family room was caused by a burst pipe, and by not seeing and reporting on signs of mold in other locations, he minimized a serious problem.

17. Mr. Ripsch reported electrical service in the house to be 100 amps. However, it was only 60 amps.

18. Mr. Ripsch noted one problem with the electrical wiring: “Electrical: 110 VAC -- 2-wire circuits with 3-wire ceptacles [sic]. would recommend further evaluation by qualified electrical contractor.” He failed to note other interior wiring that was not code-compliant, including a hole for an electrical cable improperly drilled through a framing stud, missing protective nail plates on holes drilled through studs, and a missing outlet plate cover, making it fairly obvious that the work had been done by an amateur without getting permits.

19. Mr. Ripsch made no notes about the plumbing. Mr. Schilling noted and photographed a PVC pipe protruding from the basement floor and covered by duct tape, which is likely connected to the sewage system and should be plugged properly.

CONCLUSIONS OF LAW

1. The Wisconsin Department of Regulation and Licensing has jurisdiction to act in this matter pursuant to section 440.978 of the Wisconsin Statutes and is authorized to enter into the attached Stipulation pursuant to sec. 227.44(5), Wis. Stats.

2. Mr. Ripsch’s failure to note problems with the deck in Finding of Fact 13 above is a violation of sec. RL 134.03 (5) (a) 5., Wis. Admin. Code, which says “A home inspector shall observe and describe the condition of ... Decks, balconies, stoops, steps and porches including railings.”

3. Mr. Ripsch’s failure to note problems with the furnace exhaust vent in Finding of Fact 14 above is a violation of sec. RL 134.03 (5) (9) (a) 4., Wis. Admin. Code, which says “A home inspector shall observe and describe the condition of all of the following within a permanently installed heating system: 1. Heating equipment and distribution systems. ... 4. Exterior surfaces of chimneys, flues and vents.”

4. By failing to adequately report the results of his inspection the attic -- or rather his failure to inspect it -- to his client in Finding of Fact 15 above, Mr. Ripsch violated sec. RL 134.03 (11) (a) 1. and 2., Wis. Admin. Code, which require a home inspector to observe and describe the condition of “The presence or absence of insulation in unfinished spaces.” and “Ventilation of attics and foundation areas.”

5. By not seeing and reporting on signs of mold in locations other than family room in Finding of Fact 16 above, Mr. Ripsch violated sec. RL 134.03 (8) (a) 1. and 6., Wis. Admin. Code, which require a home inspector to observe and describe the condition of walls, ceilings and floors, and signs of water penetration into the building or signs of abnormal or harmful condensation on building components.

6. By incorrectly report the amperage of the electrical service in Finding of Fact 17 above, Mr. Ripsch violated sec. RL 134.03 (7) (a) 4., Wis. Admin. Code, which requires a home inspector to observe and describe “Amperage and voltage ratings of the service, including whether service type is overhead or underground.”

7. Mr. Ripsch’s failure to notice examples of incorrect wiring other than the two-wire circuits in the three-wire receptacles in Finding of Fact 18 above was a violation of sec. RL 134.03 (a) 2. “2. Service equipment, grounding equipment, main over current device.”

8. Mr. Ripsch's failure to note the PVC pipe protruding from the basement floor and covered by duct tape in Finding of Fact 19 above was a violation of sec. RL 134.03 (6) (a) 2., Wis. Admin. Code, which says a home inspector shall observe and describe the condition of "Interior drain, waste and vent system, including traps, drain, waste, and vent piping, piping supports and leaks."

9. Violations of sec. RL 134.03, Wis. Admin. Code and its various subsections are also violations of sec. RL 134.02, Wis. Admin. Code and sec. 440.975 (2), Wis. Stats.

10. Respondent Stephen E. Ripsch is subject to discipline under sec. 440.978, Wis. Stats., for the foregoing violations.

ORDER

NOW, THEREFORE, IT IS ORDERED that the attached Stipulation is hereby accepted.

IT IS FURTHER ORDERED that the registration as a Home Inspector license issued to Stephen E. Ripsch shall be suspended for a period of 30 days, starting on the 14th calendar day after the date of this order.

IT IS FURTHER ORDERED that Stephen E. Ripsch pay the Department's costs of this matter in the amount of **\$1,063.73** within 90 days of the date of this Order. Payment shall be made by certified check or money order, payable to the Wisconsin Department of Regulation and Licensing and sent to the following address:

Department Monitor
Department of Regulation and Licensing,
PO Box 8935, Madison, WI 53708-8935.
Fax (608) 266-2264
Tel. (608) 261-7904

In the event Mr. Ripsch fails to pay the costs within the time and in the manner as set forth above, his registration as a Home Inspector shall be suspended without further notice, without further hearing, and without further Order of the Department, and said suspension shall continue until the full amount of said costs have been paid to the Department of Regulation and Licensing.

IT IS FURTHER ORDERED that file 08 RHI 003 be closed.

Dated this 11th day of July, 2008.

WISCONSIN DEPARTMENT OF REGULATION AND LICENSING

By: Secretary Celia M. Jackson